

MEMORANDUM



TO: Tim Szerlong

FROM: Doug Baillie

DATE: April 11, 2001

RE: Ohio Valley Self-Audit Procedures

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CIS:

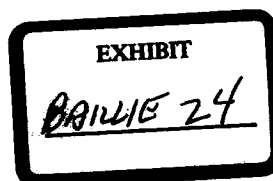
Self-audits are conducted where each branch in the region reviews four files from another branch per month (random). Dieter audits new business (two files per week). Louisville, Columbus and Cincinnati conduct self-audits of each other where every file is reviewed and a self-audit sheet is attached (now 90% complete). Each month Cincinnati, Louisville and Columbus review all accounts (non-ASC) with claims, loss control, marketing, administration, EP, casualty and PMM in attendance to discuss rate strategy, underwriting strategy and cross-selling opportunities. A home office audit will be conducted on each branch in 2001 (Indianapolis in March, Cleveland and Cincinnati in July).

TIS:

Keenan will be auditing the Life Science book of Cleveland. Todd Lauer and Joan Justvig will audit the Life Science book for Columbus, Cincinnati and Louisville. This will take place in the next three months. Jim Kerns will audit 10-12 files in the next three months of the larger non Life Sciences accounts in Cleveland and Cincinnati. Matt Mueller will audit the largest 10-12 accounts in Columbus. Todd Lauer reviews all new business in the region for Life Sciences unless it is over his authority. Jim Kerns has been reviewing all the E&O accounts in the region for some time.

CASUALTY:

Dave Corry will conduct self-audits every quarter for Cleveland and Indianapolis. He plans on conducting an audit of about 10-15% of the entire book by policy count. He is utilizing an audit list developed by Frank Hager. Last month the zone reviewed 30 accounts of Dave's and will repeat the procedure in the next quarter.





**PMM:**

Workflow calls for each individual to audit all their new lines 90 days after expiration. On a quarterly basis Michael will audit all new lines and key renewals for the prior quarter. This will be done for all core offices including Cincinnati.

**DFI:**

All three DFI offices have had a full-blown audit and scored very well. Kevin and Walt are developing a self-audit worksheet and are contemplating a random rotating audit on a monthly basis on each book of business. This plan should be finalized within the month.

**EP:**

Ken Stevens reviews all public D&O renewals and new lines in the region. John O'Mara will be making quarterly visits to each branch and reviewing 3-5 files randomly during each visit. In Cincinnati/Columbus Jim Lash and Deb Denney will review 20 files apiece over the next six weeks. Andy Bryant does an annual self-audit of the ten largest accounts and 5% of remaining book of business.

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